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SUBJECT: GEORGIA/RUSSIA: A/S FRIED MEETS QUAD POLITICAL
DIRECTORS AND EU OFFICIALS

Classified By: Political Minister Counselor Christopher Davis for reasons 1.4 (b, d).

¶1. (C) Summary: A/S Fried met with political directors of the UK, Germany and France Sept. 3 to discuss potential EU-U.S. next steps with Russia to achieve their implementation of the Ceasefire on Georgia. French Deputy Political Director Veronique Bujon-Barre (Araud did not attend) said President Sarkozy will seek from Russia when he travels to Moscow with High Representative Solana and Commission President Barroso Sept. 8: 1) complete withdrawal of Russian troops from territory of Georgia proper, including checkpoints; and 2) a commitment from Russia that an international observer mission be permitted to monitor Abkhazia and South Ossetia. She said Sarkozy plans to seek a deadline for Russian troop withdrawal of Oct. 1 or deployment of the Ceasefire Point 5/2 international monitoring mechanism, whichever comes first. A/S Fried said a deadline is useful only if the U.S. and EU have a plan should Russia not comply. Fried outlined a list of potential leverage points being considered by the U.S., but said the U.S. wants to act with the EU, not unilaterally. He favored postponing all G-8 meetings in September, while France, Germany and the UK argued for a G-8 ministerial meeting in September.

¶2. (C) In a separate meeting with Robert Cooper, the EU Council Director General for External and Politico-Military Affairs, A/S Fried was joined by Ambassador Silverberg. Cooper said recruitment for EU observers was underway; however, they would be limited to 200. If visits soon to Moscow -- by President Sarkozy on September 8, or followed by the yet-to-be-named EU Special Representative -- failed to win Russia's adherence to the six-point Ceasefire, then our steps could include targeting Russian businesses operating in South Ossetia and Abkhazia, and considering steps against criminally-connected Russian businesses. The EU ought to consider using its considerable regulatory authority to look at Russian activities that, for example, violate EU monopoly strictures. End Summary.

EU view on Russian withdrawal from Georgia

¶3. (C) German Political Director Volker Stanzel said he was "disillusioned" by a letter from Russian FM Sergey Lavrov regarding Russia's views on implementation of the six-point Ceasefire negotiated by French President and current President of the EU Council Nicolas Sarkozy. In particular, he said, Russia's claims of troop withdrawal are not backed up by reports from the field, and Russia seems to be renaming its combat troops in South Ossetia "peacekeepers." Fried said Lavrov's letter appears to be a Russian attempt to "reinterpret," i.e., renege, on the six-point plan. Fried said, and the others agreed, that the EU and U.S. must remain firm in implementing the six-point plan, the only document agreed to and signed by all sides. UK Political Director

Mark Lyall Grant said it appears that Russia has not agreed to a follow-up letter sent by Sarkozy to Georgian President Saakashvili clarifying terms of the plan. Bujon-Barre said that is one of the issues on which Sarkozy, Solana and Barroso will seek clarification when they travel to Moscow and Tbilisi Sept. 8. She said the French President also will seek a commitment from Russia that an international observer mission will be allowed effectively to monitor Abkhazia and South Ossetia, and that Russia will completely withdraw from Georgian territory proper, including checkpoints, by Oct. 1 or when an international observer mission deploys, whichever comes first. The Quad Political Directors debated the merits of negotiating such a deadline with Russia, and especially whether they could impose some cost to Russia if the Russians ignore the deadline. Germany's Stanzel thought it better to avoid a deadline, while Fried argued for setting one with (internally) agreed-upon consequences. UK Political Director Grant noted that Russia has overplayed its hand by being the sole country to recognize the independence of South Ossetia and Abkhazia and also by its "continued obsession" with driving President Saakashvili out of office.

Potential leverage points against Russia

¶4. (C) A/S Fried outlined some potential leverage points on Russia the U.S. is considering, including postponing G-8 meetings, reducing selected bilateral contacts, reconsidering our approach to the Conventional Forces in Europe Treaty, taking no steps to advance Russia's WTO and OECD membership, and implementing a host of selected visa and economic sanctions against particular Russian firms. These steps,

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Fried emphasized, would require considerable thought; we were not going to plunge into actions without thinking through the consequences. Germany, France, and UK officials appeared skeptical of broad economic sanctions but more open to ones specifically targeting Russian firms operating in South Ossetia and Abkhazia. Fried stressed that the U.S. is committed to coordinating strategy with the EU. The Europeans disagreed with the U.S. suggestion to postpone meetings of the G-8. The UK, France, and Germany all spoke in favor of a G-8 ministerial meeting in September. Fried said it was very unlikely the U.S. would agree to that. Germany's Stanzel and the UK's Grant said postponing would be the same as expelling Russia from the G-8, but Fried said there is no reason to equate the two. Postponing the September Ministerial was essential; this did not mean we were taking down the G8 altogether. He noted that isolation will affect Russia negatively in the long run.

¶5. (C) Bujon-Barre said the French EU Presidency will announce within a couple of days its choice for an EU envoy for Russia-Georgia. The Quad agreed that the envoy would negotiate along with OSCE Chairman-in-Office Stubb and report back to the Quad, which would serve as an informal steering group.

With Cooper: Get EU eyes on the ground

¶6. (C) Later on September 3, A/S Fried and Amb. Silverberg met with EU Council Director General for Politico-Military Affairs Robert Cooper, and his Director for the Americas, Amb. Marek Grela. All agreed on the importance of deploying EU observers to ensure that Russian troops withdrew from Georgia proper, Cooper adding that the EU also wanted the return of refugees and internally displaced persons (IDPs), which would require Abkhazia and South Ossetia to give certain assurances. Cooper said that there were already about 40 EU personnel on the ground and they were recruiting more; however, he did not think they would number in the hundreds, "until we know what they are doing." Two hundred was the target figure for now. A/S Fried said more is better, and EU observers would serve as a deterrent to

further Russian mischief, giving Georgia the breathing space to recover economically. Amb. Silverberg added that sooner is also better than later.

¶17. (C) As for Russia's intentions regarding the six-point Ceasefire, A/S Fried suggested that the first act taken by the EU's new Special Representative for the crisis in Georgia, once named, should be to go to Moscow, after President Sarkozy's September 8 trip there, to get a firm commitment on point 5 of the six-point plan regarding troop withdrawal to status quo ante positions, and negotiate the international mechanism to terminate the "additional security measures" under point 5. Fried stressed that the Ceasefire did not provide for any security zones or buffer zones. Moreover, if Russia fails to so commit itself, then it would be time to increase pressure, which Fried said it was important to discuss with the EU in advance. Cooper observed there had been no talk of "sanctions" at the EU Council summit on September 1 because President Sarkozy had proposed going to Moscow on September 8.

¶18. (C) A/S Fried's suggestion that measures be taken against those doing business in Abkhazia and South Ossetia led to a discussion of the possibility of looking more broadly at targeting criminally-connected Russian firms. Half-jokingly characterizing "organized crime as a state-owned industry" in Russia, Cooper said it would be useful to bring together the EU's regulators to explore such possibilities. After all, he said, it is important to "defend the integrity of our system, not just against Russia." Ambassador Silverberg suggested there could also be some creative thinking in the Justice and Home Affairs realm along these lines.

¶19. (C) While re-emphasizing that such measures should be calibrated, A/S Fried pointed out that we may not have reached the bottom. Will Russia ignore its commitments or, worse, open new crises in Crimea or the Baltics? Cooper immediately responded, "That would be very serious."

¶10. (U) A/S Fried cleared this report.
SILVERBERG

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